

NATIONAL RECOVERY ADMINISTRATION

**PROPOSED CODE OF FAIR COMPETITION
FOR THE
EMBLEM AND PENNANT
MANUFACTURING INDUSTRY**

AS SUBMITTED ON AUGUST 31, 1933



The Code for the Emblem and Pennant Manufacturing Industry in its present form merely reflects the proposal of the above-mentioned industry, and *none of the provisions contained therein are to be regarded as having received the approval of the National Recovery Administration as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

SUBMITTED BY

EMBLEM & PENNANT MANUFACTURERS' ASSOCIATION
AS A DIVISION OF THE SPORTING GOODS & ATHLETIC WEAR
ASSOCIATION

(II)

CODE OF THE EMBLEM & PENNANT MANUFACTURERS ASS'N AS A DIVISION OF THE SPORTING GOODS & ATHLETIC WEAR ASSOCIATION

Code of fair competition drafted by representatives of the Emblem and Pennant Manufacturing Industry in conformity with the provisions of the National Recovery Act.

In furtherance of the policy enunciated by the provisions of the National Recovery Act, the members of this subdivision of the Emblem & Manufacturers have prepared this code as basis for fair competition in their industry. It is the feeling of the members of this group that the fall in the general price level and destructive wage or price cutting have been due to a lack of whole-hearted co-operation on the part of merchants engaged in this industry. With the thought that by presenting this Code to the United States Government for official sanction the standards of labor and the burdens which have been sustained by our members through unfair competition will all be corrected, we hereby submit this code, which has been divided into the following categories:

- I. Relationship to labor.
- II. Regulation and control of unfair competition.
- III. A practical method of administering this code.

None of the provisions herein contained is discriminatory in any respect, nor will any of the terms of this agreement stifle the initiative of any business conforming to the practices herein adopted. It is not the intention of the members of this group to create monopolies or to eliminate competitors or to affect similar enterprises. It is felt that the adoption of this Code will tend to ameliorate present-day conditions in our branch of the Pennant and Emblem manufacturing industry to the benefit not only of our members, but of consumer, laborer, and merchant alike.

I—LABOR CODE

I. *Collective Bargaining*.—In accordance with the provision of Section 7A of the National Recovery Act, the attitude of this association with respect to the labor or employees shall be as follows:

(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor or their agents in the designation of such representative or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(2) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(3) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

II. *Maximum working hours.*—The maximum working hours of any employee engaged by any of the firms who are parties to this Code shall be forty hours per week.

III. *Minimum wages:*

(a) Minimum wage for any and all employees engaged on our behalf shall be at the rate of 35¢ per hour.

(b) *Operators:* The minimum wage for male shall be 50¢ per hour; the minimum wage for female operator shall be 40¢ per hour. The designation "operator" shall apply to anyone engaged in sewing on a machine.

(c) *Office help:* Employees in this capacity in our office shall receive a minimum of \$15.00 per week.

IV. *Child labor.*—We hereby agree that no member of our group shall employ any worker under the age of sixteen years from the date of the making of this Code.

V. *Home work.*—A practice has grown up in our industry whereby a great deal of work generally performed in our place of business is transferred to individuals who work at home. We hereby condemn this practice and agree from the date of the making of this Code that no work shall be delivered to any individual to be done at his residence. This shall not, however, eliminate the sending of work to contractors, provided such contractors have at least two machines in a regular place of business either in an office, loft, or store and provided also that all such contractors observe the provisions of this Code with regard to minimum wages and maximum working hours.

VI. If from time to time we find it necessary in view of varying conditions in the cost of living to increase or decrease wages by mutual agreement, such adjustment shall be made with the approval of the U.S. Government as shall be deemed necessary. In the absence of such changes, however, the above standards for minimum wages of labor are fixed and shall be binding upon any and all members who are parties to this Code.

II—UNFAIR COMPETITION

I. *No merchandise shall be sold at or below cost.*—It is our intention, wherever feasible, to prevent the sale of merchandise for less money than the cost of production. This has been an evil which has seriously affected the members of our group and is one which we hereby undertake to eliminate. While we appreciate the difficulty in determining the exact cost to any particular merchant of production of a given article, we hereby bind ourselves to refrain in the future from any sale of merchandise which we know is being sold at less than its actual cost. To carry out our intention in this matter, we agree to submit our books and records for examination by a committee appointed by our group to determine whether or not with respect to minimum wages and maximum hours, we are complying with the exact details of this agreement.

In the event that a committee making such an examination shall discover that a particular member is violating the terms of this agreement with regard to the payment of minimum wages and operation at a maximum of forty hours per week, it shall be considered a direct violation of this agreement subject to the penalties herein-after stated.

II. Discounts.—It is agreed that the rate of discount from the date of the signing of this Code shall be 2/10 E.O.M. No member shall allow any discount in excess of this amount nor shall any purchaser be permitted to take advantage of a discount unless payment is made on or before the 10th day of the month following a delivery of merchandise.

III. Elimination of free-lance sellers.—In view of the fact that a number of individuals have sprung up within the past few years who sell our merchandise at very little profit simply because of the fact that they have no office and no expense and can therefore sell the same to our customers at far less than a legitimate merchant can, we hereby agree that none of the members who are parties to this Code, shall hereafter sell merchandise of any kind or nature to any proposed purchaser unless said purchaser has either a store or office at which he conducts business with a stock at cost valued at least \$1,000.00 and a regular set of books for the conduct of his business.

IV. Parcel post.—Any and all shipments by parcel post shall be sent F.O.B. Factory.

V. C.O.D. shipments.—On any and all shipments C.O.D. 25% of the amount due for merchandise shipped shall be paid before actual delivery, otherwise merchandise shall not be delivered.

VI. Elimination of home employment.—A serious form of unfair competition has been created within the last few years by virtue of the manufacture of pennants, emblems, letters, and banners in the homes of various manufacturers or the distribution of such work to individuals who work at their residences. These manufacturers, by the creation of sweatshop conditions, with no regard for fair wages or maximum working hours, have cut prices far below those which the ordinary merchant engaged in an office, loft, or store can operate at a profit. We hereby pledge ourselves to exclude from competition in our industry any manufacturing done at home or residence and hereby agree that no one engaged in this industry shall, either himself or through any agents, employees, or independent contractors, permit any work on the merchandise above referred to at the residence of any individual or individuals. Such emblems, letters, etc., shall be manufactured only in a store, loft, office, or building used entirely for business or manufacturing purposes.

III—ADMINISTRATION OF THIS CODE

I. Any and all disputes, complaints, or violations of the terms and provisions of this Code shall be referred to the head of our industry. He shall hear any and all matters relating to violations of the clauses of this agreement and shall render decisions of a binding effect upon any members guilty of violations.

II. The head of our group, duly elected by unanimous vote, is Abraham R. Grossman, 276 Fifth Avenue, New York City.

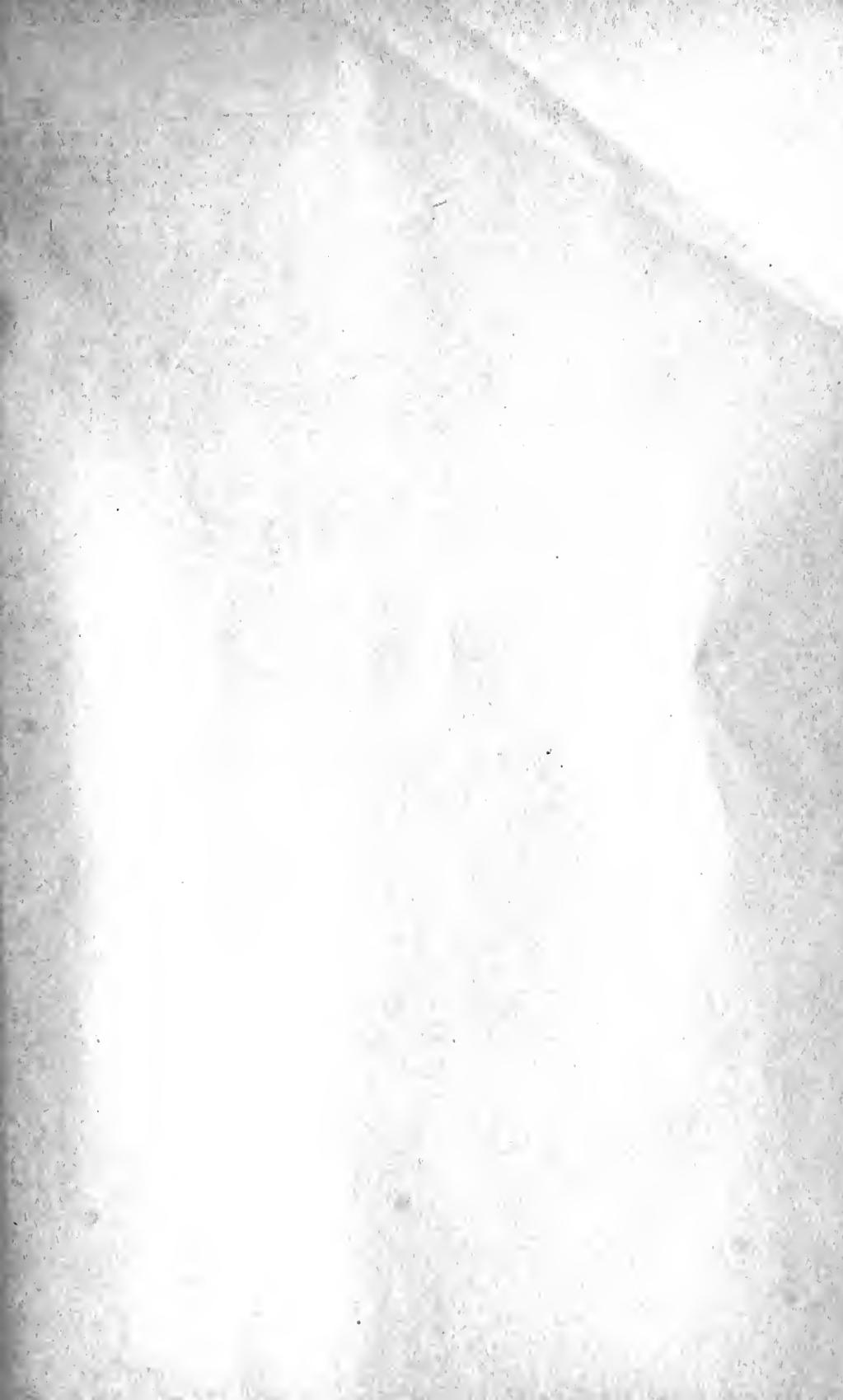
III. Any and all complaints regarding the individual actions or omissions of members, shall be heard at the office of the group, 276 Fifth Avenue, New York City, after due notice to the member allegedly violating this agreement. If, after a hearing, it shall be determined by the head of this group that such member has been guilty of a violation of this agreement in its intent and purposes, the penalties hereinafter set forth shall then take immediate effect.

IV. *Right of appeal.*—In the event that any member shall be dissatisfied with the ruling of the head of our group, a right of appeal to the association shall exist in such member, to determine whether or not the decision of the head of our group shall remain binding. The appeal shall be heard before three members of our association who shall be selected in alphabetical order from the members of our group, excluding therefrom any parties to the dispute. In the event that the appellate committee shall decide to confirm the decision of the head of our group, then it shall be binding upon the alleged violator, and the penalties herein set forth shall become immediately effectual. Should the appellate committee decide to reverse the decision of the head of our group, then their determination in the matter shall be final and binding upon the members involved.

In witness whereof, we have hereunto set our hands and seals this _____ day of _____, 1933.

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